The Business Office and the Federal Pell Grant Program

This chapter assumes that confirming student eligibility and determining the appropriate Federal Pell Grant award are financial aid office responsibilities that have been satisfactorily completed before the business office is notified of a student's award. The primary responsibilities of the business office in the Federal Pell Grant Program (Pell Grant) are drawing down, reconciling and returning Federal Pell Grant cash.

THE FEDERAL PELL GRANT PROGRAM

For students who qualify, the Federal Pell Grant (Pell Grant) Program is the foundation of Federal Student Aid (FSA). Pell Grants provide undergraduate students who have financial need and meet the other requirements for FSA assistance with a foundation of financial aid to help defray the costs of postsecondary education. Other forms of financial aid can then be added to a student's Pell Grant to help meet the student's full need. Unlike other programs such as the Campus-Based programs, schools don't have to make decisions about who receives Pell Grant funds or how much they receive. ED pays Pell Grant funds to all eligible students, and standard formulas determine how much each student receives.

For more information about the Federal Pell Grant program, please see "the Federal Student Aid Handbook, Volume 3 – Calculating Awards and Packaging," and "Volume 4 – Processing Aid and Managing FSA Funds."

DEFINITIONS

Some terms we use in this chapter such as award year, academic year, and standard or nonstandard terms, are also used for other FSA programs. Other terms such as *Scheduled Award* and *annual award* are only used in the Pell Grant Program.

Scheduled Award

A primary concept in the Federal Pell Grant Program is the *Scheduled Award* – the amount a full-time student would receives during an academic year for a given cost of attendance (**COA**) and Estimated Family Contribution (**EFC**). The Scheduled Award assumes a student is enrolled full time for a full academic year. Therefore, a student will receive less than a full Scheduled Award if he or she does not complete or attend a full academic year.

The concept of the Scheduled Award is important because it limits the student to a maximum payment for an award year. The Scheduled Award can't be exceeded, even if the student transfers to another school or attends for a period longer than one academic year during the award year (e.g., by attending a summer session considered part of the same award year).

Annual Award

The annual award is the maximum amount a student would receive during a full academic year for a given enrollment status, EFC, and COA. (*For a full-time student, the annual award will be the same as the Scheduled Award.*)

Award Year

The award year begins on July 1 of one year and ends on June 30 of the next year. For example, the 2005-2006 award year begins July 1, 2005, and ends June 30, 2006. A student can't be paid more than one Scheduled Award during an award year.

Academic Year

Your school must define the academic year for each of its programs of study. After doing so, you must use that definition for all FSA purposes. The law and regulations provide minimum requirements for an academic year. A defined academic year must contain at least 30 weeks of instructional time during which a full-time student is expected to complete at least 24 semester or trimester hours or 36 quarter hours at a school measuring program length in credit hours, or at least 900 clock hours at a school measuring program length in clock hours.

Financial Need in the Pell Grant Program

A student's eligibility for a Pell Grant is determined when the Department's *Central Processing System* (**CPS**) applies the Federal Needs Analysis formula to data a student and the student's parents, if applicable, provide on the *Free Application for Federal Student Aid* (**FAFSA**).

When applied to the data from a student's FAFSA, the formula produces an *Expected Family Contribution* (**EFC**). The lower the EFC, the greater the student's financial need. Thus, the neediest students will have an EFC of 0 and may be eligible for the maximum Pell Grant award for the year (if their COA is high enough and they are attending full time for a full academic year).

Output Documents

After the EFC is computed by the CPS, it is included, along with the student's application information, on the student's *output document.* There are two types of output documents, *Institutional Student Information Records* (**ISIR**s) and *Student Aid Reports* (**SAR**s). An ISIR is a computer-generated electronic record sent to a school by the CPS. The SAR is a paper document sent to the student by the CPS. These output documents (ISIRs and SARs) contain the student's application information, the EFC, and the results of several database matches automatically conducted by the CPS.

To pay a student a Pell Grant, the school must have a valid output document for the student. A valid output document is one where all the information used to calculate the EFC is complete and accurate. Once the school has received a valid output document, assuming all other eligibility requirements are met, the school **must** pay the student.

CHOOSING A FORMULA

The regulations specify different ways of calculating Pell Grants. The formula your school uses depends on the type of program the student is enrolled in. Once your school chooses a formula, the aid office must use the same formula when calculating Pell Grant awards for all students in the same program of study for the entire award year.

Pell Grant Formulas, cite
34 CFR 690.63

Two other variables combine with the EFC to determine the amount of a student's Pell Grant –

1. the cost of attendance at the school the student is attending; and

2. the student's enrollment status (full-time, half-time, etc.).

DETERMINING ENROLLMENT STATUS

Your financial aid office will determine a student's enrollment status based on the number of credit or clock hours for which the student is enrolled. A student's enrollment status determines the Pell Grant Payment Schedule the financial aid office uses to determine the student's annual award.

CALCULATING THE COST OF ATTENDANCE

The components your financial aid office uses to calculate a student's Pell Grant COA are the same as those it uses to calculate the COA for the other FSA Programs. (See the *Federal Student Aid Handbook, Volume 1 – Student Eligibility* for a list of those components.) However, unlike the other programs, the Pell Grant COA used by the financial aid office is always based on costs for a full-time student for a full academic year.

For Pell Grant, costs for programs or enrollment periods longer or shorter than an academic year are prorated or adjusted so that the costs used to determine a student's grant are the costs for a full academic year. This is true for both parts of the academic year definition, the number of weeks and the number of clock/credit hours. If the program or period of enrollment differs from the defined academic year in either part, the financial aid office must prorate costs to determine the Pell Grant COA.

DETERMINING THE ANNUAL AWARD

Once your school has determined a student's COA, it can use the appropriate Payment or Disbursement Schedule to look up the student's annual award. For students in credit-hour, term-based programs, the financial aid office looks up the annual award on the full-time Payment Schedule, three-quarter-time, half-time, or less-than-half-time Disbursement Schedule, depending on the student's enrollment status. For students enrolled in clock-hour or nonterm credit-hour programs, the financial aid office always determines the annual award payment using the full-time schedule, even if the student is attending less than half time. **Schools do not have the discretion to refuse to pay an eligible part-time student**.

CONFIRMING STUDENT ELIGIBILITY

Before informing the business office that a student will be receiving a Pell Grant your financial aid office must ensure that the student is eligible. An aid officer will have confirmed (in part) that the student –

1. is a regular student enrolled, or accepted for enrollment, in an eligible program at your eligible school, and is not enrolled in either an elementary or secondary school;

2. for purposes of the Federal Pell Grant Program –

    a. does not have a baccalaureate or first professional degree; or

    b. is enrolled in a postbaccalaureate teacher certificate or licensing program;

3. is not incarcerated;

4. satisfies the appropriate citizenship and residency requirements;

5. has a high school diploma or its recognized equivalent; or

    a. has obtained a passing score on an independently administered *Ability-to-Benefit* (**ATB**) test as described in the *Federal Student Aid Handbook, Volume 1 – Student Eligibility,* and *Volume 2 – School Eligibility and Operations*; or

    b. has completed a qualifying home-schooled program as described in the *Federal Student Aid Handbook, Volume 1 – Student Eligibility,* and *Volume 2 – School Eligibility and Operations*;

6. is maintaining *satisfactory academic progress* (**SAP**) in his or her course of study;

7. is not disqualified for having defaulted on an FSA loan, or for exceeding annual or aggregate loan limits made under any FSA loan program;

8. does not own property subject to a judgment lien for a debt owed to the United States;

9. if applicable, satisfies the requirements for enrollment in telecommunication and correspondence courses, and in study abroad programs, respectively; and

10. meets the individual program eligibility requirements.

At the same time, the aid office may also examine the student's eligibility for other FSA programs by confirming that the student is–

• for purposes of the FFEL and Direct Loan programs, is at least a half-time student and is not incarcerated in a federal or state penal institution; and

• for purposes of the FSEOG Program, does not have a baccalaureate or first professional degree.

PELL GRANTS AND COD

Once your financial aid office determines a student is eligible to receive a Pell Grant at your school the office will create and submit award (origination data) and disbursement data in the COD system described in chapter 15.

Award data, submitted to originate an award, does not include actual disbursement dates and amounts. Therefore, your school can originate Pell awards as early in the award cycle as it chooses. By submitting award data early your aid office can allow time to correct data that later might delay acceptance of actual disbursements.

Creation of an award, and acceptance of that award in the COD system, establishes the framework through which your school later can tie the individual student's Pell Grant disbursement to your school.

A school may submit *disbursement data* in advance of the actual disbursement date with the *Disbursement Release Indicator* (DRI) set to *True.* If your school submits disbursement data more than 30 days in advance of the actual disbursement date, you must set the DRI to *False* to alert the system that you are not actually requesting funds.

When a school may submit actual disbursement data depends on the way ED provides FSA funds to the school (as described in chapter 13). To create an actual disbursement record, your school must set the DRI to *True.*

Although COD will accept disbursement records 30 days before the payment date, COD will not generate a funding increase until seven days before the payment period. For example, if the school sends disbursement data on October 1 that has an October 30 payment date, COD will accept the data but will not create and send a funding transaction to GAPS until October 23.

Advanced Funded schools may submit actual disbursement records up to 30 days in advance of the intended disbursement date. Just-in-Time or HCM1 schools can submit actual disbursement records up to seven days in advance of the intended disbursement date. A school operating under the Reimbursement or HCM2 methods may not submit actual disbursement records in advance of the disbursement date. For schools on either HCM2 or Reimbursement, School Participation will not initiate a drawdown of Pell Grant funds through GAPS until –

1. the school has made a disbursement to the student from the school's own funds; and

2. FSA School Participation has reviewed the required documentation.

Setting the DRI to *False* allows your school to submit *anticipated* disbursement data more than 30 days in advance of the intended disbursement date, regardless of funding method. The DRI set to *False* alerts the COD system that you are not actually requesting funds.

At the beginning of each year, Advance Funded schools receive an Electronic Statement of Account (**ESOA**) with an initial Current Funding Level (**CFL**) based on an estimate of the Pell Grant Funds the school will need to cover its first payments. (CFL is the equivalent of what has commonly been referred to as an authorization in GAPS.) An initial CFL is created in May and does not increase in COD nor in GAPS until that initial level has exceeded through submission of disbursement records. A school cannot draw money in GAPS that exceeds its CFL.

As a school reports disbursements in COD, COD makes any necessary adjustments to the CFL based on the actual dollar amount of those disbursements. When COD has accepted and posted enough actual disbursements to exceed the CFL, a new ESOA is generated and sent to the school. Note that a subsequent ESOA is generated only when the CFL is exceeded or decreased, not each time a disbursement is accepted. Only accepted, actual disbursements drive funding.

Funding is not made available and the CFL in GAPS increased by the accepted disbursement amount until seven days before the actual disbursement date. All disbursement records (increases or decreases) must be submitted within 30 days of the date the school becomes aware of a Pell Grant change. Failure of a school to comply with the 30-day reporting requirement may result in its Pell Grant allocations being reduced.

Pell Grant CFL adjustments are generally school generated, resulting from schools' submission of disbursement increases and decreases throughout the year. However, these adjustments may also be system generated, as the result of a negative pending amount or

potential overaward (POP). A negative pending amount occurs when the sum of actual Pell Grant disbursements is greater than the award amount. (Negative pending amounts and POPs are updated daily.)

If the school does not increase the award amount or decrease the disbursement by at least the negative pending amount within 30 days, COD will reduce the disbursement with the highest disbursement number and send a system generated Negative Disbursement Response to the school.

A POP occurs when the combination of payments reported by more than one school would cause the student to receive more than a Scheduled Award. In this case, COD will accept and process the disbursement and send a Multiple Reporting Record (MRR) to all schools involved. The student will be allowed to remain in an overaward status for 30 days, after which each school involved will receive a negative disbursement decreasing all previously accepted disbursements for the award year to zero.

It is important to remember that system generated Pell Grant CFL adjustments, as well as school-generated adjustments, (upward or downward) directly affect the CFL or authorization reported in GAPS. Failure to consider this may result in difficulty when reconciling Pell Grant Program funds. Too often, schools overlook the possibility that a system-generated adjustment is the cause of a discrepancy between their own and Department records, choosing to focus only on the disbursements they submitted.

In addition to the daily system generated reductions, COD creates three types of Pell Grant global reductions that occur several times a year and are part of funds control measures.

The first Pell Grant global job is the *Reduction to the Net Accepted and Posted Disbursements.* COD runs this job in late winter and reduces school authorization levels from the amount of the Initial Authorization down to the level of net accepted and posted disbursements. For example, if a school received $1,000,000 as an Initial Authorization in May and only submitted $750,000 in disbursement records by January, COD will reduce the authorization level by $250,000 from $1,000,000 to $750,000.

The second Pell Grant global job is the *"W" verification reduction.* Schools are permitted to make a first payment to a student without verifying student income and eligibility data on selected students, but before the end of the award year they must change the "W," for Processed **W**ithout Verification, to either a "V," "S," or blank. In the second half of the award year (generally in April), COD will generate warning messages to affected schools telling them that they have 30 days to change the verification code. After these 30 days, COD runs a global job that reduces the awards of students who are still coded "W" to zero.

The third Pell Grant global job is the R*eduction to GAPS Net Drawdown.* COD runs this job after the award year ends, generally in March after the end of the award year. For example, if a school had an authorization of $1,000,000 and only drew down $750,000 in cash in GAPS, COD will reduce this schools authorization by $250,000 to $750,000. A school where authorizations exceed draws apparently does not need the extra funds. Moreover, the school is not abiding by the 30 day reporting requirement, and it's accounts are not reconciled. The school should have submitted decreases to their disbursement records so that the authorization level, the amount of the disbursement records, and the GAPS drawdown are equal.

Unprocessed Deobligations

Unprocessed Deobligations are negative available balances that are generally created when a school submits disbursement decreases and those decreases cause the CFL to fall below the amount already sent to the school by GAPS.

Unprocessed Deobligations occur routinely during the course of an award year when financial aid administrators submit decreases to disbursement records for which the Business Office has not yet submitted cash refunds to GAPS. However, these discrepancies should be cleared up as the award year ends. In the Pell Grant and Campus-Based programs, unprocessed deobligation that exist after a year has closed will result in audit findings that a school must resolve.

Unprocessed Deobligations are unlikely to occur while large numbers of disbursement increases are being reported to COD. However, during periods where few or no disbursement increases but numerous disbursement decreases are being reported, an Unprocessed Deobligation may easily occur. An example of this would be where a school has reported most of its Pell Grant disbursements for students in a term, and drawn funds through GAPS equal or nearly equal to the Pell Grant CFL. Adjustments are then made to account for students who failed to begin attendance, withdrew, or whose enrollment status differed from what was initially anticipated. These adjustments (reported as disbursement decreases) result in a Pell Grant CFL that is now less than the amount already drawn from GAPS on that Pell Grant award.

Frequent reconciliation of business office and financial aid office records throughout the award year is the surest method of avoiding Unprocessed Deobligations or quickly resolving them when they do occur. Resolution can be accomplished by –

- refunding the amount of the Unprocessed Deobligation;

- submitting disbursement records that cover the amount of the Unprocessed Deobligation; or

- making an electronic adjustment in GAPS if the Unprocessed Deobligation was caused by a school making an error in the drawing down cash from the wrong program or award year.

If an Unprocessed Deobligation is listed on your GAPS account and you have made a refund, you need to contact the GAPS help desk as soon as possible to get the Unprocessed Deobligation resolved.

As final, year-end reconciliation of Pell Grant funds should be completed by the end of March following the close of an award year; no Unprocessed Deobligations should remain beyond that point. When this does occur, the Department will have customer service staff call you, and will mail warning letters to affected schools apprising them of the steps that need to be taken and the consequences of failing to take those steps.

DISBURSING PELL GRANT FUNDS

For the most part, schools must disburse Pell Grant funds according to the general rules for disbursing FSA funds described in chapter 14. However, there are some rules for disbursing Pell Grant funds that the business office should be aware of so it can serve as a check on financial aid office procedures.

Some students who are ineligible at the start of an award year become eligible later in that year. When a student becomes eligible for FSA funds in the middle of an award year, the student's eligibility for funds during that year is dependent **both** on the FSA program and on the date the student becomes eligible.

For Pell Grant (and Campus-Based) aid, in general, a student becomes eligible beginning with the payment period in which the eligibility issue was resolved. So a student enrolled at a school offering classes in an academic year composed of a fall and a spring semester who gains eligibility during the spring semester would only be eligible for Pell Grant and Campus-Based aid for that semester.

However, there are three exceptions. If the student's initial ineligibility was due to an issue related to the –

1. requirements for citizenship;
2. validity of the student's social security number; or
3. student's registration for selective service;

and the student resolves that issue during the spring term, the student becomes eligible for Pell Grant and Campus-Based aid retro-actively to the beginning of the award year.

Paying Pell Grant in a lump sum, cite
34 CFR 690.76(b)

Clarification

In all cases, when a school receives Pell Grant funds for a student who has already completed one or more payment periods for which the student was eligible to receive funds in the award year, the school may pay the Pell Grant funds in one lump sum for the current payment period and all the prior payment periods for which the student was eligible within the award year. However, **the student's enrollment status for any term already completed must be determined according to academic coursework actually completed.**

For example, consider a student who registered for and began 12 credits (four courses of three credits each) in the fall term, but completed only nine credits (three courses). If the student's Pell Grant funds are not received until the spring term, the school may only pay the student for the fall term using the schedule (3/4 time) for nine credits.

Moreover, if the student received a "B" in two classes and a "F" in the third, the school must determine if the student completed the course in which the student received the "F." That is, a school must have a procedure to differentiate between a student who completed a course but failed to achieve the course objectives, and a student who did not complete the course. **In determining a student's enrollment status for Pell Grant funds for a term that has already ended, a school may not include credits for a course the student failed to complete.** For additional information on procedures a school may use to determine whether a student completed a course, see *Appendix G, chapter 2.*

A single disbursement for a payment period (excluding payments for terms a student has already completed) can never be more than 50% of the student's Annual Award. If the amount of Pell Grant funds a student is eligible to receive within a single payment period is more than 50% of the student's Annual Award, you must pay those funds in at least two disbursements, regardless of whether the term is a standard term or nonstandard term.

Within a payment period, so long as a school does not violate an existing disbursement regulation, the school may pay a student at such times and in such installments as it determines **will best meet the student's needs**.

RECOVERY OF PELL GRANT OVERPAYMENTS AND RESTORING THE PELL GRANT FUND

A Pell Grant overpayment occurs any time a student receives a payment of Pell Grants funds that exceeds the amount for which he or she is eligible. Most overpayments are due to one of the following:

- Student error, such as failing to report the spouse's income on the application, or failing to report attendance and financial aid received at a previous school.

- School error, for instance when a student's award is taken incorrectly from the Payment Schedule, or when the school pays a student who isn't making satisfactory progress.

- Required recalculations, such as when a student never begins attending class or does not begin attending all of his or her classes.

- Required Repayments, for instance, when the school makes an interim disbursement to a student selected for verification, but the student never completes verification.

- Return of Title IV funds, in cases where the calculation determines that a student who has withdrawn or otherwise ceased enrollment during a payment period or period of enrollment must repay an unearned portion of his or her Pell Grant award.

If the overpayment is the result of a school error the school **must** restore its Pell Grant fund by the amount of the overpayment.

A school may **choose** to restore the fund for an overpayment that is the result of student error and, consequently is a student liability. However, it is not required to do so. If a school chooses to return an overpayment for which a student is responsible, and debit the student's account for the amount returned, the resultant debt can never be considered an FSA debt. It is a debt to the school.

A Return of Title IV funds calculation may result in the school, the student, or both having to repay money to the Pell Grant Program. As noted above, the student portion of any Pell Grant award that must be returned is considered an overpayment for which the student has responsibility. For more information about the Return of Title IV Aid requirements, see *Appendix G, chapter 2.*

Pell Grant overpayments, cite
34 CFR 690.79

Generally, amounts restored to the school's Pell Grant fund may be used to pay Pell Grant awards to other students. These recovered funds represent cash on hand and must be taken into account when determining cash needs and making drawdown requests through GAPS. Failure to do so may result in an accumulation of excess cash in the school's Pell Grant fund.

Recovered Pell Grant funds that the school does not need to pay awards to other students, or does not wish to use for this purpose, must be returned to the Department, using the Electronic Refund function in GAPS.

RECONCILIATION IN THE PELL GRANT PROGRAM

To fulfill its responsibility to safeguard federal funds and ensure they are expended as intended, **a school must perform reconciliation in each FSA program monthly**. Through reconciliation, a school ensures that ED's records reconcile with the school's records, both at the cumulative and individual student levels.

Monthly reconciliation for the Pell Grant program should include verifying that **individually and cumulatively** the –

1.   records of awards made to students maintained by the financial aid office match the records of pending disbursements for those students maintained by the business office;

2.   business office records of pending disbursements and financial aid office records of student awards match the records of actual disbursements posted to the students' accounts;

3.   the disbursements posted to students' accounts match the disbursements to those students in the COD system; and

4.   cumulative school and COD records of Pell Grant disbursements match Net Draws in GAPS for the award year Pell Grant Program.

Monthly reconciliation is an important internal control procedure and it can make a significant contribution to increasing the overall program integrity of the FSA programs.

Reconciling school-level data

Whether you maintain your records electronically or on paper, comparing the records of Pell Grant awards made to students by the financial aid office to the records of those awards maintained by the business office is straight forward. Likewise, comparing the reconciled business office/financial aid office records to the Pell Grant disbursements recorded in individual student accounts is not complex. If awards recorded by the aid office automatically populate the business office records, the data should always agree.

If your school's processes are automated, your systems' staff can create a program that compares the relevant data elements and generates an exceptions report that identifies discrepancies between the three sets of data. Reconciliation of school level data functions is an internal control check mechanism. By reviewing the exception report on a daily basis, the bursar not only ensures that the school's internal records agree, he or she also confirms that the school's system for communicating data between offices is functioning correctly.

Reconciling school-level data with COD

An ongoing reconciliation process with COD will help avoid, or greatly minimize, post-deadline adjustments. Moreover, because each office has access to and expertise with data needed to facilitate the process, cooperation between the business and financial aid offices is essential if reconciliation of Pell Grant program funds is to be successful. For example, the financial aid office will likely be the source of information and reports from the COD system, whereas the business office is generally responsible for GAPS and student accounts. While it is possible and even advisable for financial aid and business office staff to be able to view information in each other's systems, there is no substitute for the direct involvement of professionals in each office in the reconciliation process.

Some schools reconcile institutional records with the *Net Accepted and Posted Disbursements* in the COD system for each submission of Pell Grant disbursement data during the year. At a minimum, this data should be reconciled monthly. There are various COD reports your school can use in reconciling school level Pell Grant records of individual awards to students with individual student records maintained in COD.

The **Reconciliation File** (Reconciliation Report) is a one-record summary of the award and disbursement data in COD for an individual student. This report is especially useful for reconciling the total Pell Grant disbursement per student in a school's records, with the total per student in COD. The Reconciliation Report can be helpful to a school as the school completes both ongoing and year-end reconciliation processes

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Internal controls in automated systems

Since no one person may have the ability to change data that affect both authorization and disbursement, if award entries made by the financial aid office automatically roll over and populate award fields in the business office, then the separation of functions must take place elsewhere.

For example, if your system automatically awards funds based on a student's budget, then your system must insure that only employees with a special security standing can change those budgets or otherwise modify a student's award. In addition your system must be able to identify any employee who makes a change to a data element that can affect the level of a student's award (anyone who initiates a budget or award override).

COD reports, cite

"The 2004-2005 Common Origination and Disbursement (COD) Technical Reference, Volume VIII, Section 8" is at

http://ifap.ed.gov/cod/ 0405CODTechRefDraft.html

The Pending Disbursement List report contains disbursements not yet funded in COD. This "list by student " reports all anticipated disbursements received and accepted, but not yet made, in a school's Pell Grant Program.
In addition, the Pending Disbursement report lists any actual disbursements accepted by COD with disbursement dates 8–30 days in the future. This report is helpful to a school trying to determine the amount of funds to draw through GAPS.

The Funded Disbursement List report is available to schools using the Just-in-Time (Pushed Cash) payment method. This report provides a listing by student of all actual disbursements that have been accepted and funded in COD.

A Year-to-Date Record (**YTD Record**) can be requested for an individual student or for all Pell Grant recipients at a school. A YTD Record contains more detailed origination and disbursement data than a Reconciliation Report. The YTD Record can be used to replace a corrupt database or to reconcile school records with accepted data in COD.

The YTD record shows the award information that COD is using for each student. You can view each individual disbursement as well as the total disbursed to a student for the year. The YTD *Summary* will show total number of recipients at your school, and the number of awards, and disbursements that were accepted, rejected, or corrected. The detailed information in a YTD record can help your school resolve discrepancies between school and COD data.

You should speak with your school's administrative software systems specialists about creating a program that compares –

- COD student level data; to
- student Pell Grant award information maintained separately by the financial aid office; to
- Pell Grant funds posted to each student's account

and reports exceptions. The COD School Relations staff at

<div align="center">

1-800-474-7268

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is available to help you identify the elements in the COD reports that will be helpful in the process.

If you identify a discrepancy between COD and your school for a specific student, you can request a YTD Record for that student and examine each separate disbursement in order to locate the source of the discrepancy.

If you are using a COD report in the reconciliation process and you identify discrepancies, the following are examples of conditions that might cause them:

- A recipient's disbursement data appears on the school's records for an award amount less than the amount shown in the COD system;
- A recipient's data appears on the school's records for an award amount greater than the amount shown in the COD system;
- A recipient's disbursement data appears on the school's records but does not appear in the COD system.

Reconciling with GAPS

In reconciling its institutional records a school confirmed that the record of a student's Pell Grant award as calculated by the financial aid office and the record of that award posted to the student's account by the business office agree. By reconciling those school records with the individual student-level disbursement data in COD, the school confirmed that ED has accepted a school's request for those funds, and forwarded that request to GAPS. On a monthly basis, a school should also reconcile the record of its Pell Grant award in the GAPS system with the record for that award in the COD system and with the school's records of awards in the program.

The primary GAPS functions a school should use in reconciling are the *GAPS Activity Report* (**Activity Report**) and the *GAPS Award Balance Report* (**Balance Report**).

The Balance Report lists the authorizations, net draws, and available balance for each of a school's awards. It provides a school with the opportunity to verify that the school's record of net drawdowns and available balance in the Pell Grant Program agree with that in GAPS and COD. The *Net Draws* in the GAPS Balance Report should match *Net Drawdowns* in COD, and that figure should match the school's records of deposits made to its Pell Grant account and net awards posted to student accounts. (In most cases, the *Authorization* reported in the GAPS Balance Report will also match the *Current CFL* on the School Funding Information page in COD.)

If you have difficulty reconciling your net drawdowns, you can use the Activity Report to compare more detailed information. The Activity Report is essentially a bank statement for a school's GAPS awards that a school can create whenever it wishes. The Activity Report displays both cumulative and detailed information on drawdown activity, refunds, and authorization changes for each grant award. The report is divided into two separate tables – a cumulative summary table and a detail table.

The GAPS system contains data on all of a school's active awards, from the start of the award period to the present date. A school can specify both a specific award (Pell Grant, Direct Loan, FWS, etc.) and time period it wants included in the Activity Report.

You can access the Activity Report and Balance Report using GAPS External Access. From the GAPS main page, you'll select *Reports* and when you're taken to a the *Reports Menu* page, select the report you want to display.

If you select **Balance Report**, you'll be taken to the report for the report for the Payee that you signed in as. If you select **Activity Report** the system will automatically populate the fields *Payee DUNS/SSN* and *Payee Name*. Next to the field *PR/Award Number*, you will enter the award number for your school's Pell Grant award. Then, next to the field *Period*, you will enter the starting and ending dates you want included in your report.

If you want to examine your drawdowns for only the month of September 2005, next to *From* you would select **September** from the drop-down menu and enter *2005* in the next field. Then, next to *Through*, you would select *September* from the drop-down menu and enter *2005* in the next field. The system will create and display the Cumulative Summary Table for the period September 2005.

If it's October 3, 2005 and you want to examine your drawdowns so far for the 2005 award year, next to *From* you would select **July** from the drop-down menu and enter *2005* in the next field. Then, next to *Through*, you would select **September** from the drop-down menu and enter *2005* in the next field. The system will create and display the Cumulative Summary Table for the period July 1, 2005 through September 30, 2005.

The Cumulative Summary Table provides summary information on activity that occurred on the selected grant for the period chosen. On the left side of the Cumulative Summary Table is a column headed *Row ID*. By selecting the gray numbered box on the left of the appropriate row, you can access The Detail Table for the selected award. The Detail Table shows the detail (individual) transactions that make up the Cumulative Summary Table in chronological order. If your net drawdowns don't match, you can use the record of individual drawdowns in your search for the source of the discrepancy.

For help with drawdown discrepancies in the GAPS system call the GAPS Help desk at

1-888-336-8930